

1 SENATE BILL NO. 110

2 INTRODUCED BY R. OSMUNDSON

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE GOVERNOR AND THE COMMISSIONER OF
6 HIGHER EDUCATION TO SUSPEND THE EMPLOYER CONTRIBUTION FOR STATE EMPLOYEE GROUP
7 BENEFITS; AMENDING SECTIONS 2-18-703 AND 7-4-2502, MCA; PROVIDING FOR CONTINGENT
8 VOIDNESS; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 2-18-703, MCA, is amended to read:

13 **"2-18-703. Contributions.** (1) ~~Each~~ Except as provided in subsection (2)(f), each agency, as defined
14 in 2-18-601, and the state compensation insurance fund shall contribute the amount specified in this section
15 toward the group benefits cost.

16 (2) (a) Except as provided in subsection (2)(b), for employees defined in 2-18-701 and for members
17 of the legislature, the employer contribution for group benefits is \$1,054 a month.

18 (b) For employees defined in 2-18-701 and for members of the legislature, beginning January 2020
19 and for each succeeding month, the cost of group benefits, including both the employer and employee
20 contributions for group benefits and health flexible spending accounts, may not exceed the monthly amount for
21 self-only coverage and coverage other than self-only that will trigger the excise tax under 26 U.S.C. 4980I,
22 including any cost-of-living adjustments under 26 U.S.C. 4980I. This section limits contributions for group
23 benefits only to the extent needed to avoid triggering the excise tax under 26 U.S.C. 4980I.

24 (c) Except as provided in subsection (2)(d), for employees of the Montana university system, the
25 employer contribution for group benefits is \$1,054 a month.

26 (d) For employees of the Montana university system, beginning the earlier of July 2020 or the first
27 month in 2020 in which the excise tax under 26 U.S.C. 4980I applies, and for each succeeding month, the cost
28 of group benefits, including both the employer and employee contributions for group benefits and health flexible

1 spending accounts, may not exceed the monthly amount for self-only coverage and coverage other than self-
2 only that will trigger the excise tax under 26 U.S.C. 4980I, including any cost-of-living adjustments under 26
3 U.S.C. 4980I. This section limits contributions for group benefits only to the extent needed to avoid triggering
4 the excise tax under 26 U.S.C. 4980I.

5 (e) (i) If a state employee is terminated to achieve a reduction in force, the continuation of
6 contributions for group benefits beyond the termination date is subject to negotiation under 39-31-305 and to
7 the protections of 2-18-1205. Permanent part-time, seasonal part-time, and temporary part-time employees
8 who are regularly scheduled to work less than 20 hours a week are not eligible for the group benefit
9 contribution. An employee who elects not to be covered by a state-sponsored group benefit plan may not
10 receive the state contribution. A portion of the employer contribution for group benefits may be applied to an
11 employee's costs for participation in Part B of medicare under Title XVIII of the Social Security Act, as
12 amended, if the state group benefit plan is the secondary payer and medicare the primary payer.

13 (ii) Payments required under this subsection (2)(e) may be suspended if a state agency or unit of the
14 Montana university system is directed to suspend the employer contribution for the state employee group
15 benefit plan or university system group benefit plan pursuant to subsection (2)(f).

16 (f) The approving authority, as defined in 17-7-102, shall direct a state agency or unit of the Montana
17 university system to suspend the employer contribution for the state employee group benefit plan or university
18 system group benefit plan described in subsections (1) and (2)(a) through (2)(d) for a period of up to 2 months.

19 (3) For employees of elementary and high school districts, the employer's contributions may exceed
20 but may not be less than \$10 a month.

21 (4) (a) For employees of political subdivisions, as defined in 2-9-101, except school districts, the
22 employer's contributions may exceed but may not be less than \$10 a month.

23 (b) Subject to the public hearing requirement provided in 2-9-212(2)(b), the amount in excess of the
24 base contribution of a local government's property tax levy for contributions for group benefits as determined in
25 subsection (4)(c) is not subject to the mill levy calculation limitation provided for in 15-10-420.

26 (c) (i) Subject to subsections (4)(c)(ii) and (4)(c)(iii), the base contribution is determined by
27 multiplying the average annual contribution for each employee on July 1, 1999, times the number of employees
28 for whom the employer makes contributions for group benefits under 2-9-212 on July 1 of each fiscal year.

1 (ii) If a political subdivision did not make contributions for group benefits on or before July 1, 1999, and
2 subsequently does so, the base contribution is determined by multiplying the average annual contribution for
3 each employee in the first year the political subdivision provides contributions for group benefits times the
4 number of employees for whom the employer makes contributions for group benefits under 2-9-212 on July 1 of
5 each fiscal year.

6 (iii) If a political subdivision has made contributions for group benefits but has not previously levied for
7 contributions in excess of the base contribution, the political subdivision's base is determined by multiplying the
8 average annual contribution for each employee at the beginning of the fiscal year immediately preceding the
9 year in which the levy will first be levied times the number of employees for whom the employer made
10 contributions for group benefits under 2-9-212 in that fiscal year.

11 (5) Unused employer contributions for any state employee must be transferred to an account
12 established for this purpose by the department of administration and upon transfer may be used to offset losses
13 occurring to the group of which the employee is eligible to be a member.

14 (6) Unused employer contributions for any government employee may be transferred to an account
15 established for this purpose by a self-insured government and upon transfer may be used to offset losses
16 occurring to the group of which the employee is eligible to be a member or to increase the reserves of the
17 group.

18 (7) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona
19 fide group insurance plans from providing greater or additional contributions for insurance benefits to
20 employees with dependents than to employees without dependents or with fewer dependents."

21

22 **Section 2.** Section 7-4-2502, MCA, is amended to read:

23 **"7-4-2502. Payment of salaries of county officials and assistants -- state share for county**

24 **attorney -- statutory appropriation.** (1) The salaries of the county officers and their assistants may be paid
25 monthly, twice monthly, or every 2 weeks out of the general fund of the county and upon the order of the board
26 of county commissioners.

27 (2) The funding for the salary and health insurance benefits for the county attorney is a shared
28 responsibility of the state and the county. The state's share is payable as provided in subsection (3).

1 (3) (a) For each fiscal year, the department of justice shall pay to each county and consolidated
2 government the amount calculated under subsection (3)(b). Payments must be made quarterly.

3 (b) (i) For each county and consolidated government with a full-time county attorney, the amount paid
4 each fiscal year must be equal to 50% of 85% of a district court judge's salary most recently set under 3-5-211
5 plus an amount equal to 50% of the employer contribution for group benefits under 2-18-703(2) for an
6 employee as defined in 2-18-701.

7 (ii) For each county and consolidated government with a part-time county attorney, the total amount
8 paid each fiscal year must be equal to the amount calculated under subsection (3)(b)(i) prorated according to
9 the position's regular work hours.

10 (iii) The payments required under subsection (3)(b)(i) are not affected if the governor directs a state
11 agency to not pay the employer contribution for employee group benefits pursuant to 2-18-703(2)(f).

12 (c) For the purpose of this subsection (3), the following definitions apply:

13 (i) "Full-time county attorney" means that as of July 1 immediately preceding the regular legislative
14 session, the county attorney position has been established as a full-time position pursuant to 7-4-2706.

15 (ii) "Part-time county attorney" means that as of July 1 immediately preceding the regular legislative
16 session, the county attorney position has been established as a part-time position pursuant to 7-4-2706.

17 (iii) "Salary" means wage plus the employer contributions required for retirement, workers'
18 compensation insurance, and the Federal Insurance Contributions Act as determined for a district court judge.

19 (4) The amount to be paid to each county pursuant to subsection (3) is statutorily appropriated, as
20 provided in 17-7-502, from the general fund to the department of justice.

21 (5) The board may, under limitations and restrictions prescribed by law, fix the compensation of all
22 county officers not otherwise fixed by law and provide for the payment of the compensation and may, for all or
23 the remainder of each fiscal year, in conjunction with setting salaries for other officers as provided in 7-4-2504,
24 set their salaries at the prior fiscal year level."

25
26 **NEW SECTION. Section 3. Contingent voidness.** If House Bill No. 2, including general fund budget
27 reductions related to the suspension of employee group benefits payments for up to 2 months, is not passed
28 and approved, then [this act] is void.

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2 NEW SECTION. **Section 4. Effective date.** [This act] is effective July 1, 2021.

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4 NEW SECTION. **Section 5. Termination.** [This act] terminates June 30, 2022.

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